

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

3000 K STREET, NW, SUITE 300
WASHINGTON, DC 20007-5116
TELEPHONE (202) 424-7500
FACSIMILE (202) 424-7643

REGULATORY AUTH.

00 AUG 14 PM 2 49

NEW YORK OFFICE
405 LEXINGTON AVENUE,
EXECUTIVE NEW YORK, NY 10174

August 11, 2000

VIA OVERNIGHT DELIVERY

K. David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

00-00713

Re: Application of Sigma Networks Telecommunications, Inc. for a Certificate of Convenience and Necessity to Provide Facilities-Based and Resold Local Exchange and Interexchange Telecommunications Services Throughout the State of Tennessee

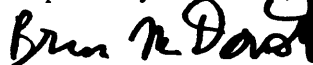
Dear Mr. Waddell:

On behalf of Sigma Networks Telecommunications, Inc. ("Sigma"), please find enclosed an original and thirteen (13) copies of Sigma's Application for a Certificate of Convenience and Necessity to Provide Facilities-Based and Resold Local Exchange and Interexchange Telecommunications Services Throughout the State of Tennessee. Also enclosed is a check in the amount of \$25.00 to cover the requisite filing fee.

Please note that Exhibit C contains confidential and proprietary information not generally available to the public. Sigma, therefore, is submitting one copy of this information in a separately sealed envelope attached to the original copy of the application. Sigma respectfully requests that the information contained in Exhibit C be given confidential treatment and that it not be made a part of the public record or otherwise be made available for public disclosure.

Please date stamp and return the extra copy of this filing in the self-addressed, postage-prepaid envelope provided. Should you have any questions concerning this matter, please do not hesitate to contact the undersigned at (202) 424-7500.

Respectfully submitted,



Katherine A. Rolph
Brian M. McDermott

Counsel for Sigma Networks Telecommunications, Inc.

Enclosure

cc: Philip Lin
Lisa Kennedy
Kelly A. Olson

**BEFORE THE
TENNESSEE REGULATORY AUTHORITY**

REC'D TN
REGULATORY AUTH.

*00 AUG 14 PM 2 49

CLERK OF THE
EXECUTIVE SECRETARY

In the Matter of the Application of)
)
Sigma Networks Telecommunications, Inc.)
)
For a Certificate of Public Convenience and)
Necessity to Provide Facilities-Based and Resold)
Local Exchange and Interexchange)
Telecommunications Services Throughout)
the State of Tennessee)

Docket No. _____

00-00713

APPLICATION

I. INTRODUCTION

Pursuant to the provisions of T.C.A. §§ 65-4-201, Administrative Rules Chapter 1220-4-8, and the Federal Telecommunications Act of 1996 ("Federal Act" or "Act"), 47 U.S.C. § 251 *et seq.*, Sigma Networks Telecommunications, Inc. ("Sigma" or "Applicant") hereby files this Application for a Certificate of Convenience and Necessity to provide facilities-based and resold local exchange and interexchange telecommunications services throughout the State of Tennessee.

In support of its application, Sigma provides the following information in compliance with Administrative Rule 1220-4-8-04:

II. DESCRIPTION OF THE APPLICANT AND CORPORATE AUTHORITY

1. Applicant's legal name is Sigma Networks Telecommunications, Inc. Applicant maintains its principal place of business at:

Sigma Networks Telecommunications, Inc.
1290 Parkmoor Avenue
Third Floor
San Jose, California 95126-3449
Telephone: (408) 271-7500
Facsimile: (408) 271-7550

2. All correspondence, notices, inquiries, and other communications regarding this Application should be addressed to Sigma's counsel of record at:

Katherine A. Rolph
Brian M. McDermott
Swidler Berlin Shereff & Friedman, LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007-5116
Telephone: (202) 424-7500
Facsimile: (202) 424-7645

3. Sigma Networks Telecommunications, Inc. is a privately held corporation organized under the laws of the State of Delaware on May 3, 2000. A copy of its Certificate of Incorporation and its Certificate of Authority to Transact Business in Tennessee are attached hereto as Exhibits A and B, respectively. Sigma is a wholly-owned subsidiary of Sigma Networks, Inc., a privately held Delaware corporation.

4. Sigma's officers and directors are as follows:

Officers

John K. Peters	Chief Executive Officer
Sherri L. Bakos	Vice President - Sales
Philip Lin	Vice President - Business Development
Patrick Sullivan	Chief Information Officer and Vice President
Lonny J. Orona	Vice President - Customer Support and Network Operations
Scott Young	Vice President - Network Deployment

Directors

Reed Hundt	Chairman
Doug Hickey	Director
Andy Rachleff	Director
John K. Peters	Director
Marc Andreessen	Director

5. All Officers and Directors can be reached at:

Sigma Networks Telecommunications, Inc.
1290 Parkmoor Avenue
Third Floor
San Jose, California 95126-3449
Telephone: (408) 271-7500
Facsimile: (408) 271-7550

6. Sigma does not currently have a corporate office located in the State of Tennessee.

If Sigma opens a corporate office in the State of Tennessee in the future, Sigma will promptly advise the TRA.

7. The name and address of Sigma's Tennessee Registered Agent is:

CT Corporation System
530 Gay Street
Knoxville, Tennessee 37902

III. QUALIFICATIONS

A. Financial Qualifications

Sigma is financially qualified to provide facilities-based and resold local exchange telecommunications services in Tennessee. Sigma has access to the financing and capital necessary to conduct the proposed telecommunications operations throughout Tennessee and to fulfill any obligation it may undertake with respect to the operation and maintenance of the services specified in this Application. Specifically, Applicant will rely upon the substantial financial resources of its

parent, Sigma Networks, Inc., to provide the initial capital investment and to fund operating costs. Both Sigma and Sigma Networks are recently formed companies and subsequently do not have historical financial statements. In lieu of historical financial statements, Sigma is providing hereto as Exhibit C the most recent pro forma financial statements of Sigma Networks, Inc. This exhibit is being offered to demonstrate Sigma's financial ability to provide the proposed services in Tennessee. The attached financial statements are confidential, proprietary, and commercially sensitive. Sigma is submitting this information in a sealed envelope and respectfully requests that the financial statements be given confidential treatment and that they not be made a part of the public record or otherwise be made available for public disclosure. With the resources of Sigma Networks, Inc., Applicant possesses the sound financial resources necessary to effectively procure, install, and operate the facilities and services requested in this Application.

None of the financial statements submitted reflect any amounts related to reciprocal compensation for terminating Internet service provider (ISP) traffic.

B. Managerial and Technical Qualifications

Sigma possesses the technical and managerial qualifications necessary to provide the services proposed in this Application. Sigma's officers are well qualified to execute its business plan, to provide its proposed telecommunications services and to operate and maintain Sigma's facilities over which such services will be deployed. Descriptions of the extensive telecommunications and managerial experience of Sigma's key personnel are attached hereto as Exhibit D. The descriptions demonstrate the managerial and technical experience of the Applicant's management team.

Sigma has authority to provide telecommunications services in the States of Massachusetts, New York and Washington. Sigma is currently in the process of obtaining authority to provide

telecommunications service in the states of Arizona, California, Connecticut, Colorado, Delaware, the District of Columbia, Kentucky, Kansas, Illinois, Indiana, Louisiana, Maryland, Minnesota, New Jersey, Nevada, New Mexico, North Carolina, Ohio, Pennsylvania, Texas, Wisconsin and Virginia and may subsequently seek such authority in additional jurisdictions. Sigma has not had a certificate or license denied or revoked in any jurisdiction.

IV. PROPOSED SERVICES

Sigma requests authority to provide resold and facilities-based local exchange and interexchange telecommunications services throughout the State of Tennessee. Sigma does not expect to deviate from the ILEC's local service areas unless and until the Commission revises its rules on local calling scope. Sigma's services will be available on a full time basis, 24 hours a day, seven days a week.

Sigma intends to construct a facilities-based, dedicated and private line, fiber optic communications infrastructure. Sigma will enable this infrastructure with the latest generation of integrated optical networking equipment that provides access, multiplexing, switching, and transport; and then sell time division multiplexed and packetized broadband private line services to carriers and service providers. Sigma may also lease its dedicated and private line, fiber optic communications infrastructure to large corporate and government customers for high-bandwidth, secure voice and data networks.

Applicant believes that the advanced technical characteristics of its network will allow it to provide the high levels of reliability, security, and capacity that its target customers typically demand as well as providing a more rapid time-to-provision by leveraging the applicant's significant investment in operational support systems.

Sigma will continuously monitor and maintain a high level of control over its network on a 24-hour basis through its network operations center. Applicant's network is capable of using the highest commercially available capacity transmission (OC-192) and, therefore, can support advanced capacity-intensive data technologies such as frame relay and ATM, as well as, multimedia and Internet-related applications.

Initially, Sigma will lease the fiber optic facilities of other carriers while its own facilities are being built. As the Applicant completes the build-out of its network, the Applicant may move this traffic onto its own Network. Sigma does not have a telecom engineering firm on retainer.

Sigma plans to provide telecommunications services in all areas in Tennessee that are served by BellSouth Telecommunications, Inc. and United Telephone, Southeast, Inc. Initially, Sigma intends to offer service in Chattanooga, Knoxville, Memphis and Nashville.

Sigma is beginning the negotiation process to obtain interconnection agreements with BellSouth and United Telephone, Southeast, Inc. so that it may commence its proposed Tennessee operations upon certification and Tennessee Regulatory Authority's approval of the interconnection agreements.

Sigma does not currently own any facilities in the State of Tennessee, including switches, in connection with or to facilitate communication by telephone. Prior to constructing facilities in Tennessee, the Applicant will provide a description of the Tennessee facilities to be constructed.

V. DESCRIPTION OF REGULATORY COMPLIANCE AND OPERATIONS

1. Applicant is familiar with and will adhere to all applicable Authority rules, policies and orders governing the provisions of local exchange telecommunications services. As described above, Sigma will not initially provide basic voice grade local exchange telephone service.

Accordingly, Sigma seeks a waiver (to the extent that a waiver is required), from the following requirements set forth in Rule 1220-4-8.04(3)(b): access to 911 and E911 emergency services; Operator and Directory Assistance; Tennessee Relay Center access and support; Blocking Service for 900, 976- type services; Lifeline and Link-Up services; and educational discount requirements. Sigma will comply with all these requirements of Rule 1220-4-8.04(3)(b) if in the future Sigma begins to offer voice grade services. Applicant has attached hereto a copy of its Small and Minority Owned Telecommunications Business Participation Plan as Exhibit E.

2. In compliance with the Authority's rules, at such time as Sigma determines to offer voice services, Sigma shall either directly or through other arrangements, provide the emergency, directory, blocking, support, interconnection and other services mandated by the Authority.

3. Customer's with service, billing and repair questions, and complaints may reach Sigma using its toll free customer service number. Sigma's customer service number is (888) 833-6400. The name, address, and telephone number of Sigma's customer service contact is:

Lonny J. Orona
Vice President- Customer Support and Network Operations
Sigma Networks Telecommunications, Inc.
1290 Parkmoor Avenue
Third Floor
San Jose, California 95126-3449
Telephone: (408) 271-7500
Facsimile: (408) 271-7550

4. Applicant does not initially intend to provide basic voice grade service. If Applicant decides to provide voice grade service in the future, it will file a toll dialing parity plan with the TRA at least 60 days prior to providing such service.

5. A certificate of service stating that notice of the application has been served on all

eighteen (18) incumbent local exchange telephone companies in Tennessee is attached hereto as Exhibit F.

6. Since Sigma will initially not be requesting NXXs, the numbering issues are inapplicable to Sigma at this point. At such time as Sigma decides to use NXXs, it will provide the pertinent information.

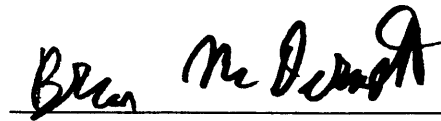
7. There are no complaints filed with any state or federal regulatory agencies involving Sigma or affiliated entities.

VI. CONCLUSION

The Tennessee Regulatory Authority has adopted a policy favoring competition in all telecommunications markets, recognizing that it is in the public interest to develop effective competition to ensure that all customers, residential and business, will have access to high quality, low-cost, and innovative telecommunications services, regardless of the service provider they select. The entry of Sigma into the telecommunications market will enhance competition in the provision of telecommunications services within the State of Tennessee as prescribed by the Tennessee legislature in Chapter 408 of the Public Acts of 1995 and by Congress through the Telecommunications Act of 1996. Accordingly, Sigma anticipates its proposed service will provide subscribers with better quality services and will increase consumer choice of innovative, diversified, and reliable service offerings.

WHEREFORE, Sigma Networks Telecommunications, Inc. requests that the Tennessee Regulatory Authority approve its Application for a Certificate of Public Convenience and Necessity to Provide Facilities-Based Local Exchange and Interexchange Telecommunications Services throughout the State of Tennessee.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Brian M. McDermott", is written over a horizontal line.

Katherine A. Rolph
Brian M. McDermott
SWIDLER BERLIN SHEREFF FRIEDMAN, LLP
3000 K St., NW, Suite 300
Washington, DC 20007-5116
Telephone: (202) 424-7500
Facsimile: (202) 424-7645

Counsel for:
Sigma Networks Telecommunications, Inc.

Dated: this 11th day of August, 2000

EXHIBITS

Certificate of Incorporation	Exhibit A
Certificate of Authority to Transact Business in Tennessee	Exhibit B
Financial Information (CONFIDENTIAL).....	Exhibit C
Managerial and Technical Experience	Exhibit D
Small and Minority-Owned Telecommunications Plan.....	Exhibit E
Certificate of Service	Exhibit F
Rule Compliance Agreement	Exhibit G
Pre-Filed Testimony of John Peters	Exhibit H
Notice of Application	
Verification	

EXHIBIT A

Certificate of Incorporation

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "SIGMA NETWORKS TELECOMMUNICATIONS, INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE FIFTH DAY OF MAY, A.D. 2000.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE NOT BEEN ASSESSED TO DATE.



A handwritten signature in cursive script, reading "Edward J. Freel", is written over a horizontal line.

Edward J. Freel, Secretary of State

3222510 8300

001231018

AUTHENTICATION: 0422515

DATE: 05-05-00

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "SIGMA NETWORKS TELECOMMUNICATIONS, INC.", FILED IN THIS OFFICE ON THE THIRD DAY OF MAY, A.D. 2000, AT 4:30 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



A handwritten signature in cursive script, reading "Edward J. Freel".

Edward J. Freel, Secretary of State

3222510 8100

001226812

AUTHENTICATION: 0422504

DATE: 05-05-00

CERTIFICATE OF INCORPORATION

OF

SIGMA NETWORKS TELECOMMUNICATIONS, INC.

FIRST: The name of the Corporation is Sigma Networks Telecommunications, Inc.

SECOND: The address of the Corporation's registered office in the State of Delaware is 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801. The name of the Corporation's registered agent at such address is The Corporation Trust Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH: The total number of shares of all classes that the Corporation shall have authority to issue is 10,000 shares, par value \$0.01 per share, to be issued as shares of Common Stock.

FIFTH: Except as otherwise required by law or expressly provided in this Certificate of Incorporation, each share of Common Stock shall entitle the holder thereof to one (1) vote of each matter submitted to a vote of the stockholders.

SIXTH: The name and mailing address of the incorporator of the Corporation are as follows:

<u>Name</u>	<u>Address</u>
Melanie J. Bosman	3000 K Street, N.W. Suite 300 Washington, D.C. 20007

SEVENTH: In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, alter or repeal the By-Laws of the Corporation, subject to any specific limitation on such power provided by any By-Laws adopted by the stockholders.

EIGHTH: Elections of directors need not be by written ballot unless the By-Laws of the Corporation so provide.

NINTH: The Corporation is to have perpetual existence.

TENTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon the stockholders herein are granted subject to this reservation.

ELEVENTH: A. A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law of the State of Delaware, or (iv) for any transaction from which the director derived an improper personal benefit. If the General Corporation Law of the State of Delaware is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law of the State of Delaware, as so amended. Any repeal or modification of this Section A by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

B. Each person who was or is made a party or is threatened to be made a party to or is or was involved in any action, suit, or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she or a person of whom he or she is the legal representative is or was a director, officer or employee of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that except as provided in Section C of this Article Eleventh with respect to proceedings seeking to enforce rights to indemnification, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors. The right to indemnification conferred in this Section B shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that if the General Corporation Law of the State of Delaware requires, the payment of such expenses incurred by a director or officer in his or her capacity as a

director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the Corporation of any undertaking by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Section B or otherwise.

C. If a claim under Section B of this Article Eleventh is not paid in full by the Corporation within thirty days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standards of conduct that make it permissible under the General Corporation Law of the State of Delaware for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel or stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel or stockholder) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

D. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article Eleventh shall not be exclusive of any other right that any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, By-Law, agreement, vote of stockholders or disinterested directors or otherwise.

E. The Corporation may purchase and maintain insurance or furnish similar protection, including, but not limited to, providing a trust fund, letter of credit or self-insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expenses, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the General Corporation Law of the State of Delaware.

F. The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, and rights to be paid by the Corporation the expenses incurred in defending any proceeding in advance of its final disposition, to any agent of

the Corporation to the fullest extent of the provisions of this Article Eleventh with respect to the indemnification and advancement of expenses of directors, officers and employees of the Corporation.

THE UNDERSIGNED, being the incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, makes this Certificate, hereby declaring and certifying that the facts herein stated are true, and accordingly has hereunto set her hand and seal this 3rd day of May, 2000.

A handwritten signature in black ink, appearing to read 'Melanie J. Bosman', is written over a horizontal line.

Melanie J. Bosman

EXHIBIT B

Certificate of Authority to Transact Business in Tennessee

Secretary of State
Corporations Section
James K. Polk Building, Suite 1800
Nashville, Tennessee 37243-0306

ISSUANCE DATE: 05/31/2000
REQUEST NUMBER: 00152580
TELEPHONE CONTACT: (615) 741-6488

CHARTER/QUALIFICATION DATE: 05/30/2000
STATUS: ACTIVE
CORPORATE EXPIRATION DATE: PERPETUAL
CONTROL NUMBER: 0390216
JURISDICTION: DELAWARE

TO:
CAPITAL FILING SERVICE, INC
7051 HIGHWAY 70 S
NO 333
NASHVILLE, TN 37221

REQUESTED BY:
CAPITAL FILING SERVICE, INC
7051 HIGHWAY 70 S
NO 333
NASHVILLE, TN 37221

CERTIFICATE OF AUTHORIZATION

I, RILEY C DARNELL, SECRETARY OF STATE OF THE STATE OF TENNESSEE DO HEREBY CERTIFY THAT
"SIGMA NETWORKS TELECOMMUNICATIONS, INC.",

A CORPORATION FORMED IN THE JURISDICTION SET FORTH ABOVE, IS AUTHORIZED TO
TRANSACTION BUSINESS IN THIS STATE;
THAT ALL FEES, TAXES, AND PENALTIES OWED TO THIS STATE WHICH AFFECT THE
AUTHORIZATION OF THE CORPORATION HAVE BEEN PAID;
THAT AN APPLICATION FOR CERTIFICATE OF WITHDRAWAL HAS NOT BEEN FILED.

FOR: REQUEST FOR CERTIFICATE

ON DATE: 05/31/00

FROM:
CAPITAL FILING SERVICE, INC.
PMB 333
7051 HWY 70 SOUTH
NASHVILLE, TN 37221-0000

RECEIVED: FEES \$260.00 \$0.00
TOTAL PAYMENT RECEIVED: \$260.00

RECEIPT NUMBER: 00002694719
ACCOUNT NUMBER: 00101230



Riley C Darnell

RILEY C. DARNELL
SECRETARY OF STATE

Secretary of State

Corporations Section

James K. Polk Building, Suite 1800

Nashville, Tennessee 37243-0306

DATE: 05/31/00

REQUEST NUMBER: 3919-0976

TELEPHONE CONTACT: (615) 741-2286

FILE DATE/TIME: 05/30/00 1120

EFFECTIVE DATE/TIME: 05/30/00 1120

CONTROL NUMBER: 0390216

TO:
CT CORPORATION SYSTEM
1030 15TH ST
NW
WASHINGTON, DE 20005

RE:
SIGMA NETWORKS TELECOMMUNICATIONS, INC.
APPLICATION FOR CERTIFICATE OF AUTHORITY -
FOR PROFIT

WELCOME TO THE STATE OF TENNESSEE. THE ATTACHED CERTIFICATE OF AUTHORITY HAS BEEN FILED WITH AN EFFECTIVE DATE AS INDICATED ABOVE.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF STATE ON OR BEFORE THE FIRST DATE OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE CORPORATION'S FISCAL YEAR. PLEASE PROVIDE THIS OFFICE WITH WRITTEN NOTIFICATION OF THE CORPORATION'S FISCAL YEAR. THIS OFFICE WILL MAIL THE REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE CORPORATION AT THE ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING ADDRESS PROVIDED TO THIS OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO MAINTAIN A REGISTERED AGENT AND OFFICE WILL SUBJECT THE CORPORATION TO ADMINISTRATIVE REVOCATION OF ITS CERTIFICATE OF AUTHORITY.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR FILING, PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE.

FOR: APPLICATION FOR CERTIFICATE OF AUTHORITY -
FOR PROFIT

ON DATE: 05/31/00

FROM:
C T CORPORATION SYSTEM (DC-1030 15TH ST)
1030 15TH ST N.W.
WASHINGTON, DC 20005-0000

RECEIVED: FEES \$600.00 \$0.00
TOTAL PAYMENT RECEIVED: \$600.00

RECEIPT NUMBER: 00002694486
ACCOUNT NUMBER: 00000007



Riley C. Darnell

RILEY C. DARNELL
SECRETARY OF STATE

APPLICATION FOR CERTIFICATE OF AUTHORITY FOR

391.9 0376

(18)

Sigma Networks Telecommunications, Inc.

To the Secretary of State of the State of Tennessee:

Pursuant to the provisions of Section 48-25-103 of the Tennessee Business Corporation Act, the undersigned corporation hereby applies for a certificate of authority to transact business in the State of Tennessee, and for that purpose sets forth:

1. The name of the corporation is Sigma Networks Telecommunications, Inc.

If different, the name under which the certificate of authority is to be obtained is _____

[NOTE: The Secretary of State of the State of Tennessee may not issue a certificate of authority to a foreign corporation for profit if its name does not comply with the requirements of Section 48-14-101 of the Tennessee Business Corporation Act. If obtaining a certificate of authority under an assumed corporate name, an application must be filed pursuant to Section 48-14-101(d).]

2. The state or country under whose law it is incorporated is Delaware

3. The date of its incorporation is May 3, 2000 (must be month, day, and year), and the period of duration, if other than perpetual, is _____

4. The complete street address (including zip code) of its principal office is _____

1290 Parkmoor Ave., 3rd Floor, San Jose, California 95126-3449

Street	City	State/Country	Zip Code
--------	------	---------------	----------

5. The complete street address (including the county and the zip code) of its registered office in this state is

c/o C T Corporation System, 530 Gay Street, Knoxville, Tennessee, County of Knox

Street	City/State	County	Zip Code
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The name of its registered agent at that office is

C T Corporation System

6. The names and complete business addresses (including zip code) of its current officers are: (Attach separate sheet if necessary.)

See attached list of officers

7. The names and complete business addresses (including zip code) of its current board of directors are: (Attach separate sheet if necessary.)

See attached list of directors

8. The corporation is a corporation for profit.

9. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date/time is

N/A, 19____ (date), _____ (time).

[NOTE: A delayed effective date shall not be later than the 90th day after the date this document is filed by the Secretary of State.]

[NOTE: This application must be accompanied by a certificate of existence (or a document of similar import) duly authenticated by the Secretary of State or other official having custody of corporate records in the state or country under whose law it is incorporated. The certificate shall not bear a date of more than two (2) months prior to the date the application is filed in this state.]

5-16-00

Signature Date

Vice President

Signer's Capacity

Sigma Networks Telecommunications, Inc.

Name of Corporation

Philip Lin

Signature

Philip Lin

Name (typed or printed)

FILED



SS-4431 (Rev. 7/93)

SIGMA NETWORKS TELECOMMUNICATIONS, INC.

OFFICER/DIRECTOR RIDER

Directors:

Douglas Hickey 1290 Parkmoor Avenue, 3rd Floor
San Jose, CA 95126-3449

Reed Hundt 1290 Parkmoor Avenue, 3rd Floor
San Jose, CA 95126-3449

Andrew Rachleff 1290 Parkmoor Avenue, 3rd Floor
San Jose, CA 95126-3449

Officers:

John K. Peters President, Secretary,
and Treasurer 1290 Parkmoor Ave., 3rd Floor
San Jose, CA 95126-3449

Sherri L. Bakos Vice President of Sales 1290 Parkmoor Ave., 3rd Floor
San Jose, CA 95126-3449

Phillip Lin Vice President of
Business Development 1290 Parkmoor Ave., 3rd Floor
San Jose, CA 95126-3449

Patrick Sullivan Vice President and CIO 1290 Parkmoor Ave., 3rd Floor
San Jose, CA 95126-3449

Lonny J. Orona Vice President of
Customer Support and
Network Operations 1290 Parkmoor Ave., 3rd Floor
San Jose, CA 95126-3449

Scott Young Vice President of
Network Development 1290 Parkmoor Ave., 3rd Floor
San Jose, CA 95126-3449

State of Delaware

PAGE 1

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "SIGMA NETWORKS TELECOMMUNICATIONS, INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-FOURTH DAY OF MAY, A.D. 2000.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE NOT BEEN ASSESSED TO DATE.



A handwritten signature in cursive script, reading "Edward J. Freel".

Edward J. Freel, Secretary of State

3222510 8300

001264492

AUTHENTICATION: 0457976

DATE: 05-24-00

EXHIBIT C

Financial Information

(CONFIDENTIAL)

EXHIBIT D

Managerial and Technical Qualifications

SIGMA NETWORKS TELECOMMUNICATIONS, INC.'S MANAGEMENT TEAM

JOHN K. PETERS, CHIEF EXECUTIVE OFFICER

Mr. Peters is the founder and CEO of Sigma Networks Telecommunications, Inc., a facilities-based provider of broadband, Internet Protocol-based metropolitan area network services. Prior to Sigma Networks Telecommunications, Inc., Mr. Peters was Executive Vice President for Concentric Network Corporation from 1995 through 1999. As EVP, he held various senior management roles leading the Operations, Engineering, Product Development, Product Management, Web Hosting Services, and Corporate Development organizations.

From 1993 to August 1995, Mr. Peters was President of Venture Development Consulting, a consulting firm specializing in new communications and information services. From 1988 to 1993, he was Vice President and Chief Operating Officer of Pacific Bell Information Services, Inc. Prior to that, Mr. Peters spent three years as Vice President of Application Services for Telestream Corporation. In 1981, he co-founded Integrated Office Systems, Inc., a communications and information systems company. From 1976 to 1980, Mr. Peters was Vice President of Advanced Network Services for GTE Telenet Communications Corporation.

He has an M.B.A. from Stanford Graduate School of Business and a B.S. degree in statistics from Stanford University. Mr. Peters serves on the board of directors for Turnstone Systems, FusionOne Corporation and is President of the Stanford Graduate School of Business Alumni Association board of directors.

SHERRI L. BAKOS, VICE PRESIDENT – SALES

Ms. Bakos is Vice President of Sales for Sigma Networks Telecommunications, Inc. She brings an excellent understanding of the market opportunity and how to ensure Sigma's position as the preferred access provider in the metropolitan area market. Ms. Bakos is well versed in the "areas to watch for" and she has a unique ability to identify and recruit talented sales professionals to her team.

Prior to Sigma Networks Telecommunications, Inc., Ms. Bakos was Regional Vice President for Level 3 Communications. At Level 3, she influenced all aspects of the business for her region, including business development, facilities, network deployment, strategic alliances, product marketing, project management and alternate channels. Ms. Bakos developed her Region's sales and support team 'from scratch'. Under Ms. Bakos' leadership, her region led the country in revenues generated as well as gaining the highest number of targeted, new customer accounts.

From 1994 through 1998, Ms. Bakos was employed by MFS Communications, the largest CLEC in the world, which became MFS/Worldcom in 1997. Ms. Bakos held various Sales positions at MFS/Worldcom, including Vice President/General Manager of Western Region Global Accounts. Ms. Bakos was a Global Account Manager for BT from 1990 through 1993 and was consistently recognized as a top performer. Prior to BT, she was employed by Tymnet, a McDonnell Douglas Company, from 1988 - 1989 as a Senior Account Manager. Ms. Bakos was a key member of the McDonnell Douglas Field Service Company team from 1985-1988, as a Regional Manager selling computer maintenance contracts on mainframe and mini computers.

Ms. Bakos began her career in Sales at Selecterm, where she sold end user peripherals to Fortune 500 accounts. She attended San Jose State University with an emphasis in Marketing.

PHILIP LIN, VICE PRESIDENT- BUSINESS DEVELOPMENT

Prior to joining Sigma Networks Telecommunications, Inc. as Vice President of Business Development, Mr. Lin spent 6 years at Kluge & Company, the New York based private equity firm for John Kluge and Metromedia Company.

While there, he funded and worked closely with the founders of a number of technology and telecom companies including Metromedia Fiber Network (MFN), a leading dark fiber provider in metro markets with a market capitalization exceeding \$25 billion. Mr. Lin played an active operating role in MFN as well as other Kluge portfolio companies, assuming responsibility for their corporate development / strategic planning functions and leading and structuring the transactions that have shaped their strategic and financial direction.

Mr. Lin's prior work experience also includes strategic planning at PepsiCo and corporate finance at Chase Manhattan. He holds a MBA from Columbia University and a BA from Cornell University.

PATRICK SULLIVAN, CHIEF INFORMATION OFFICER AND VICE PRESIDENT

As CIO of Securities America, Mr. Sullivan built-out the infrastructure required to provide a fully managed, 24x7 Internet presence for the company's brokers, and delivered the following mission-critical Internet-enabled applications: online trading, representative Websites, client access to accounts, client trading, fully configurable daily email for reps with operational reports, account setup, and online problem resolution. These and other enhancements took Securities America from being a laggard in technology offerings to its representatives, to being an industry leader.

Prior to Securities America, Mr. Sullivan built the IS department from the ground up for MFS Datanet, a startup Data Communications Company. He successfully delivered sales force automation, usage-based billing, and network management applications while helping the company grow 500%, partially through a successful acquisition in 1994. When MFS Communications reorganized in 1995, Mr. Sullivan moved to Omaha and integrated the network and data center for the new corporate headquarters, directed the company's Internet, Intranet and Extranet strategies, coordinated standards and support across all MFS companies, and re-designed the email system for MFS', accommodating the needs of over five thousand employees.

Mr. Sullivan has a BA from San Jose State University and an MBA from the University of Nebraska at Omaha.

LONNY J. ORONA, VICE PRESIDENT - CUSTOMER SUPPORT & NETWORK OPERATIONS

Mr. Orona most recently served as the Vice President of Global Service and Support for Ciena Communications, Inc. His responsibilities included Customer Service, Technical Support, RMA Logistics, Field Operations and Product Deployment. Ciena is a manufacturing leader of Optical Switching and DWDM products based in Maryland. Mr. Orona joined Ciena following the

acquisition in March 1999 of Lightera Networks, a start-up Optical Switch manufacturer in the Silicon Valley where he was Vice President of Technical Services and Support. Prior to joining Lightera Networks, Mr. Orona served as Western Region Service and Support Director of Enterprise Business for 3Com Corporation. Mr. Orona joined 3Com in 1996 as a result of 3Com's acquisition of start-up company OnStream Networks, Inc. a manufacturer of TDM and ATM access products for the Carrier and Enterprise markets. Prior to the OnStream Networks acquisition Mr. Orona served as the Director of Worldwide Customer Support which included Field Operations, Technical Support and Product Training.

Prior to joining OnStream Networks, Mr. Orona served as the Vice President of Network Operations from 1992-95 for MFS Communications, Inc. a start-up network service provider of Local / IXC Carrier, ATM, Frame Relay and LAN Interconnect services. While at MFS, Mr. Orona was responsible for 24x7 Network Operations, Customer Service, Technical Support, and Network Service Provisioning. MFS was the "First" network service provider to deploy and offer Public ATM Services across the Nation. Prior to joining MFS Communications, Mr. Orona served as Sr. Manager of Global Network Management and Support for British Telecom N.A. responsible for 24x7 Operations and Technical Support of the Public Network carrier leased facilities, dial-up access and switching services.

SCOTT YOUNG, VICE PRESIDENT - NETWORK DEPLOYMENT

Mr. Young brings a proven track record in the design and installation of long-haul and metropolitan fiber networks throughout the United States and Canada. Mr. Young most recently served as the Vice President of Network Implementation at AT&T Canada. His responsibilities included strategic planning, network design, outside plant engineering, inside plant engineering, construction, equipment installation, right of way, logistics and technical support.

Prior to AT&T Canada, Mr. Young served as Vice President Network Engineering and Construction for MetroNet Communications, a startup Network Service provider of local and long distance services. MetroNet was the first public company to provide ATM, Frame Relay, and Switching Services across Canada. His responsibilities included network deployment, engineering, construction and the development of all outside plant standards and products.

Prior to MetroNet Communications, Mr. Young served as the Director of Network Implementation at Brooks Fiber Communications, a Network Services provider for local voice and data services. His responsibilities included setting the standards for engineering and construction, developing a network mapping system, city fiber route design, and central office design and construction.

Prior to Brooks Fiber Communications, Mr. Young served as a Program Manager with US WEST Communications. His responsibilities were to manage large projects including ISP equipment installation, network fiber design and installation.

EXHIBIT E

Small and Minority-Owned Telecommunications Plan

– **SIGMA NETWORKS TELECOMMUNICATIONS, INC.**

Small and Minority-Owned Telecommunications Business Participation Plan

1. Policy

Sigma Networks Telecommunications, Inc. (“Sigma”) acknowledges the importance of supporting the participation of small and minority-owned telecommunications businesses in the telecommunications industry. To the extent that Sigma contracts and/or subcontracts for goods and services in the State of Tennessee in the future, it will be Sigma’s policy to provide opportunities for small and minority-owned telecommunications businesses to compete for contracts and subcontracts for goods and services to Sigma in connection with its Tennessee operations.

2. Definitions

As used in this Plan,

- a. “Sigma” means Sigma Networks Telecommunications, Inc., a Delaware company.
- b. “Small Business” means a telecommunications business with annual gross receipts of less than four million dollars, pursuant to T.C.A. § 65-5-212.
- c. “Minority Business” means a telecommunications business that is solely owned, or at least fifty-one percent of the assets or outstanding stock of which is owned by an individual who personally manages and controls the daily operations of such business, and who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin and such business has annual gross receipts of less than four million dollars, pursuant to T.C.A. § 65-5-212.

- d. –“Plan” means Sigma’s Small and Minority-Owned Telecommunications Business Participation Plan.

3. Period of Effectiveness

This Plan and Sigma’s associated duties and activities in connection with this Plan will become effective if and when Sigma contracts or subcontracts for goods and/or services in the State of Tennessee in connection with its Tennessee operations. The Plan is limited to the solicitation of goods and services in the State of Tennessee, if any, in connection with Sigma’s Tennessee operations.

4. Plan Administration

a. General

Sigma will advise all personnel of the existence of the plan and of its goals established in the Plan.

Sigma will exercise due diligence and sensitivity to ensure that opportunities for small and minority owned telecommunications businesses to do business with Sigma are equivalent to those opportunities provided to entities which are not small and/or minority owned.

Sigma will undertake efforts, as described below, to identify eligible small business and minority business providers of goods and services of the type it expects to use in its Tennessee operations. Sigma will invite bids or proposals, or otherwise solicit offers from small and minority-owned telecommunications businesses to furnish goods and services to Sigma in connection with its Tennessee operations. Selection of contractors will be based upon price and quality considerations, with full and equal consideration given to proposals submitted by small businesses and minority businesses.

b. Plan Administration

The administration of this Plan will be under the direction of:

Philip Lin
Sigma Networks Telecommunications, Inc.
1290 Parkmoor Avenue
Third Floor
San Jose, California 95126-3449
Telephone: (408) 271-7500
Facsimile: (408) 271-7550

c. Administrator's Responsibilities

The Administrator will develop policies and procedures to assure the success of the Plan.

Specifically, the Administrator's responsibilities pursuant to this Plan include the following:

- i. To develop and maintain a list of eligible Small and Minority-Owned Telecommunications Businesses.
- ii. To obtain available resources for identifying Small Businesses and Minority Businesses interested in furnishing goods and services to Sigma and to cultivate an awareness among such businesses as to any opportunities to develop business relations with Sigma.
- iii. To serve as a resource for technical assistance to Small Telecommunications Business and Minority Owned Telecommunications Businesses and to refer such businesses to sources of information and other technical assistance.
- iv. To ensure that Small and Minority-Owned Telecommunications Businesses are included in the solicitation for products and services which they are capable of providing.
- v. To review solicitations to ensure that they do not inhibit and/or restrict Small and Minority-Owned Telecommunications Business competition for contracts.

- vi. To maintain Sigma's records of solicitations and contract awards, and any related correspondence.
- vii. To review and evaluate Sigma's annual performance on Small and Minority-Owned Telecommunications Business contracting.
- viii. To provide required records and reports and to cooperate in any authorized review or reasonable and appropriate surveys or studies by the Tennessee Regulatory Authority.
- ix. To ensure that Sigma submit reports, as may be required, for use in connection with subcontracting plans by the Tennessee Regulatory Authority and/or the State of Tennessee.
- x. To prepare and submit annual updates to this Plan as required by T.C.A. § 65-5-212.

5. Sources for Identifying and Contacting Qualified Businesses

Among others, the resources that the Plan Administrator may use to identify qualified businesses will include: the Chambers of Commerce, the Tennessee Department of Economic and Community Development, the U.S. Small Business Administration and the Office of Minority Business of the U.S. Department of Commerce, the National Minority Supplier Development Council, the National Association of Women Business Owners and the National Association of Minority Contractors. The Plan Administrator may also identify qualified businesses through participation in trade fairs and industry meetings and through local associations and Minority Supplier Development Councils.

6. Goods and Services to be Outsourced

If in the future Sigma has plans to contract or subcontract for goods and/or services in the State of Tennessee, Sigma will prepare a list of the goods and services which it plans to outsource and for which qualified businesses could bid.

7. Record Maintenance

If and when Sigma outsources any goods and services in Tennessee in connection with its Tennessee operations, Sigma will maintain records relating to its Small and Minority Owned Telecommunications Business Participation Plan for the purpose of evidencing the implementation of this policy, for use by Sigma in evaluating the effectiveness of the Plan and in obtaining the goals of the Plan, and for use in updating the Plan on an annual basis with the Tennessee Regulatory Authority, or as otherwise required. In conjunction with this Record Maintenance, Sigma reserves the right to designate documents, reports, surveys and/or studies as “confidential” or “proprietary.”

EXHIBIT F

Certificate of Service

CERTIFICATE OF SERVICE

I, Kelly A. Olson, hereby certify that on this 11th day of August, 2000, a copy of the foregoing notice was served via first class U.S. Mail on the following:

Ardmore Telephone Company, Inc.
P.O. Box 549
517 Ardmore Avenue
Ardmore, TN 38449

BellSouth
333 Commerce Street
Nashville, TN 37201-3300

Century Telephone of Adamsville
P.O. Box 405
116 N. Oak Street
Adamsville, TN 38310

Century Telephone of Claiborne
P.O. Box 100
507 Main Street
New Tazewell, TN 37825

Century Telephone of Ooltewah-
Collegedale, Inc.
P.O. Box 782
5616 Main Street
Ooltewah, TN 37363

Citizens Communications Company
OF TENNESSEE
P.O. Box 770
300 Bland Street
Bluefield, WV 24701

Citizens Communications Company
Of The Volunteer State
P.O. Box 770
300 Bland Street
Bluefield, WV 24701

Loretto Telephone Company, Inc.
P.O. Box 130
Loretto, TN 38469

Millington Telephone Company, Inc.
4880 Navy Road
Millington, TN 38053

Sprint-United
112 Sixth Street
Bristol, TN 37620

TDS Telecom-Concord Telephone
Exchange, Inc.
P.O. Box 22610
701 Concord Road
Knoxville, TN 37933-0610

TDS Telecom-Humphreys County
Telephone Company
P.O. Box 552
203 Long Street
New Johnsonville, TN 37134-0552

TDS Telecom-Tellico Telephone
Company, Inc.
P.O. Box 9
102 Spence Street
Tellico Plains, TN 37385-0009

TDS Telecom-Tennessee
Telephone Company
P.O. Box 18139
Knoxville, TN 37928-2139

TEC-Crockett Telephone Company, Inc.
P.O. Box 7
Friendship, TN 38034

TEC-People's Telephone Company, Inc.
P.O. Box 310
Erin, TN 37061

TEC-West Tennessee Telephone
Company, Inc.
P.O. Box 10
244 E. Main Street
Bradford, TN 38316

United Telephone Company
P.O. Box 38
120 Taylor Street
Chapel Hill, TN 37034

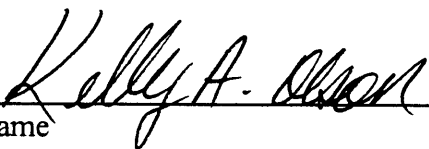

Name

EXHIBIT G

Rule Compliance Agreement

Rule Compliance Agreement

Sigma Networks Telecommunications, Inc., in applying for authority as provider of Facilities-Based, Local Exchange and Interexchange Telecommunications Services, hereby affirms the following:

- Has received, read, and understands the Tennessee Regulatory Authority (TRA; formerly TPSC) Facilities-Based, Local Exchange and Interexchange Telecommunications Services Rules and Regulations.
- Understands the penalties for non-compliance, and all associated fees to provide such service.
- Will comply with the TRA Facilities-Based, Local Exchange and Interexchange Telecommunications Services Rules and all other applicable Authority Rules and state laws, including T.C.A. Section 65-5-206.
- That all information provided in the attached Petition is true to the best of my knowledge.

By: Sigma Networks Telecommunications, Inc.
Company Name

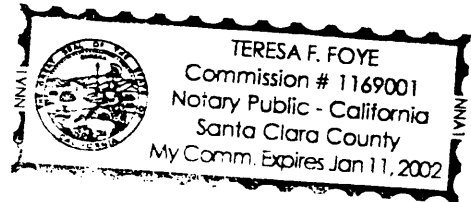
Philip Lin

Name: Philip Lin
Title: Vice President – Business Development

Subscribed and sworn before me

this 1 day of June, 2000.

Teresa F. Foye NOTARY PUBLIC
Notary Public



My Commission Expires: 1-11-02

Seal

EXHIBIT H

Pre-Filed Testimony of John Peters

- BEFORE THE TENNESSEE REGULATORY AUTHORITY

In the Matter of the Application of)
Sigma Networks Telecommunications, Inc.)
for a Certificate of Public Convenience and)
Necessity to Provide Facilities-Based and)
Resold Local Exchange and Interexchange)
Telecommunications Services)
Throughout the State of Tennessee)

Docket No. _____

**TESTIMONY OF JOHN PETERS
ON BEHALF OF
SIGMA NETWORKS TELECOMMUNICATIONS, INC.**

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND TELEPHONE**
2 **NUMBER.**

3 **A.** My name is John Peters. My business address is Sigma Networks Telecommunications,
4 Inc. ("Sigma"), 1290 Parkmoor Avenue, San Jose, California 95126-3449. My business
5 telephone number is (408) 271-7500.

6 **Q. WHAT IS YOUR POSITION WITH SIGMA?**

7 **A.** I am the Chief Executive Officer.

8 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**
9 **PROFESSIONAL EXPERIENCE.**

10 **A.** Prior to founding Sigma, I was Executive Vice President for Concentric Network
11 Corporation from 1995 through 1999. As EVP, I held various senior management roles
12 leading the Operations, Engineering, Product Development, Product Management, Web
13 Hosting Services and Corporate Development organizations. From 1993 to August 1995,
14 I was President of Venture Development Consulting, a consulting firm specializing in
15 new communications and information services.

16 From 1988 to 1993, I was Vice President and Chief Operating Officer of Pacific
17 Bell Information Services, Inc. Prior to that, I spent three years as Vice President of
18 Application Services for Telestream Corporation. In 1981, I co-founded Integrated
19 Office Systems, Inc., a communications and information systems company. From 1976
20 to 1980, I was Vice President of Advanced Networks Services for GTE Telenet
21 Communications Corporation.

22 I have a M.B.A. from Stanford Graduate School of Business and a B.S. degree in
23 statistics from Stanford University. I serve on the Board of Directors for Turnstone

1 Systems, FusionOne Corporations and am President of the Stanford Graduate School of
2 Business Alumni Association Board of Directors.

3 **Q. ARE YOU FAMILIAR WITH THE APPLICATION BEING SUBMITTED**
4 **CONCURRENTLY WITH THIS TESTIMONY BY SIGMA TO THE**
5 **TENNESSEE REGULATORY AUTHORITY FOR A CERTIFICATE OF**
6 **CONVENIENCE AND NECESSITY TO PROVIDE LOCAL EXCHANGE AND**
7 **INTEREXCHANGE SERVICES?**

8 **A.** Yes, I am.

9 **Q. ARE ALL STATEMENTS IN SIGMA'S APPLICATION TRUE AND CORRECT**
10 **TO THE BEST OF YOUR KNOWLEDGE, INFORMATION AND BELIEF?**

11 **A.** Yes.

12 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

13 **A.** I submit this testimony on behalf of Sigma to describe Sigma and the services it proposes
14 to offer in Tennessee and to demonstrate Sigma's financial, technical, managerial, and
15 operational capabilities to operate as a provider of facilities-based and resold local
16 exchange and interexchange telecommunications services in Tennessee. I will also
17 demonstrate that grant of Sigma's application meets the appropriate regulatory criteria
18 and is in the public interest.

19 **Q. PLEASE DESCRIBE THE AUTHORITY THAT SIGMA SEEKS FROM THE**
20 **COMMISSION.**

21 **A.** Sigma seeks a certificate of convenience and necessity to provide facilities-based and
22 resold local exchange and interexchange telecommunications services throughout the
23 State of Tennessee.

1 **Q. PLEASE SUMMARIZE THE MAIN POINTS OF YOUR TESTIMONY.**

2 **A.** My testimony will address several major issues: a description of Sigma's application for
3 a Certificate of Convenience and Necessity to provide local exchange and interexchange
4 telecommunications services; a description of Sigma's managerial and technical
5 qualifications; a description of Sigma's financial qualifications; a description of the
6 specific services Sigma proposes to offer in Tennessee; and a demonstration that Sigma's
7 proposed local exchange and interexchange services are consistent with the public
8 interest.

9 **Q. HAVE SIGMA OR ITS AFFILIATES BEEN AUTHORIZED TO PROVIDE**
10 **SUCH SERVICE IN ANY OTHER JURISDICTIONS?**

11 **A.** Yes. Sigma is authorized to provide telecommunications services in Massachusetts, New
12 York, and Washington. Sigma has applications for authority to provide
13 telecommunications services pending in the states of Arizona, California, Colorado,
14 Connecticut, Delaware, the District of Columbia, Kentucky, Kansas, Illinois, Indiana,
15 Louisiana, Maryland, Missouri, Minnesota, North Carolina, New Jersey, New Mexico,
16 Nevada, Ohio, Pennsylvania, Texas, Wisconsin, and Virginia.

17 **Q. HAS SIGMA EVER BEEN DENIED AUTHORIZATION BY A STATE**
18 **REGULATORY AGENCY?**

19 **A.** No, neither Sigma nor any of its affiliates have ever been denied authorization by a state
20 regulatory agency.

21 **Q. HAS ANY STATE EVER REVOKED THE CERTIFICATION OF SIGMA OR**
22 **ANY OF ITS AFFILIATES?**

23 **A.** No.

1 **Q. HAS SIGMA OR ONE OF ITS AFFILIATES EVER BEEN INVESTIGATED OR**
2 **SANCTIONED BY ANY REGULATORY AUTHORITY FOR SERVICE OR**
3 **BILLING IRREGULARITIES?**

4 **A.** No.

5 **Q. PLEASE DESCRIBE THE CORPORATE STRUCTURE OF SIGMA.**

6 **A.** Sigma is a privately-held corporation formed under the laws of the State of Delaware on
7 May 3, 2000. Sigma is a wholly-owned subsidiary of Sigma Networks, Inc., also a
8 privately-held Delaware corporation. A copy of Sigma's Certificate of Incorporation and
9 a copy of its Authorization to Transact Business in Tennessee are attached to Sigma's
10 application as Exhibits A and B, respectively.

11 **Q. PLEASE OUTLINE SIGMA'S MANAGERIAL AND TECHNICAL QUALIFICA-**
12 **TIONS.**

13 **A.** Sigma possesses the managerial and technical qualifications to provide local exchange
14 and interexchange telecommunications service in Tennessee. Sigma's officers are well
15 qualified to execute its business plan, to provide its proposed telecommunications
16 services and to operate and maintain Sigma's facilities over which such services will be
17 deployed. Sigma's management team has considerable experience in marketing, network
18 operations, financial analysis/accounting, customer service, training, sales, regulatory,
19 and other relevant areas. A description of the extensive telecommunications experience
20 and expertise of Sigma's key personnel is attached to Sigma's application as Exhibit D.
21 As the biographical information for Sigma's key personnel reflects, these individuals
22 have substantial experience in running major telecommunications operations. Each
23 member of Sigma's management team will draw upon his or her own experience, as well

1 as the collective experience of the entire management team, to ensure that Sigma is
2 managed and operated efficiently and profitably. Exhibit D describes the technical
3 competence of Sigma's personnel in greater detail.

4 **Q. PLEASE DESCRIBE SIGMA'S FINANCIAL QUALIFICATIONS.**

5 **A.** Sigma possesses the financial qualifications required of applicants for the license
6 requested herein. Sigma has access to the financing and capital necessary to conduct its
7 telecommunications operations as specified in its Application. As a wholly-owned
8 subsidiary of Sigma Networks, Inc., Sigma will rely on the sizable financial resources of
9 its corporate parent to provide the initial capital investment and to fund operating costs.
10 Both Sigma and Sigma Networks, Inc. are recently formed corporations. Thus, no
11 historical financial documents are available at this time. In lieu of historic financial
12 statements, attached to Sigma's Application as Confidential Exhibit C is a copy of Sigma
13 Networks, Inc.'s most recent pro forma financial statements. This exhibit is offered to
14 demonstrate Sigma's financial ability to provide the proposed telecommunications
15 services in the State of Tennessee. Sigma possesses the sound financial support
16 necessary to procure, install, and operate facilities to provide the services proposed in its
17 Application.

18 **Q. PLEASE DESCRIBE THE TYPES OF SERVICES THAT SIGMA WILL OFFER**
19 **IN TENNESSEE.**

20 **A.** Sigma seeks a Certificate of Convenience and Necessity to provide all forms of resold
21 and facilities-based local exchange and interexchange telecommunications services
22 throughout the State of Tennessee. Sigma plans to provide dedicated and private line,
23 fiber optic communications services on a facilities and/or resale basis for local and

1 interexchange traffic throughout the State of Tennessee. Sigma will provide the latest
2 generation of integrated optical networking equipment that provides access, multiplexing,
3 switching, and transport; and then Sigma will sell time division multiplexed and
4 packetized broadband private line services to carriers and service providers. Sigma may
5 lease its dedicated and private line fiber optic communications services to large corporate
6 and government customers for high-bandwidth, secure voice and data networks.

7 Sigma believes that the advanced technical characteristics of its Network will
8 allow it to provide the high levels of reliability, security, and capacity that its target
9 customers typically demand. Sigma's Network is capable of using the highest
10 commercially available capacity transmission (OC-192) and, therefore, can support
11 advanced capacity-intensive data technologies such as frame relay and ATM as well as
12 multimedia and Internet-related applications.

13 **Q. HOW WILL SIGMA PROVIDE THESE SERVICES?**

14 **A.** Sigma intends to construct a facilities-based, dedicated and private line, fiber optic
15 communications infrastructure. Sigma will enable this infrastructure with integrated
16 optical networking equipment that provides access, multiplexing, switching, and
17 transport. Sigma may also lease its dedicated and private line fiber optic communications
18 infrastructure. Initially, Sigma will lease the fiber optic facilities of other carriers while
19 its own facilities are being built. As Sigma completes the build-out of its network, it may
20 move this traffic onto its own Network. Sigma will continuously monitor and maintain a
21 high level of control over its Network on a 24-hour basis through its network operations
22 center. Sigma does not currently own any telecommunications facilities in the State of
23 Tennessee.

1 **Q. WHAT GEOGRAPHIC AREAS WILL SIGMA SERVE?**

2 **A.** Sigma seeks authority to provide resold and facilities-based local and interexchange
3 services throughout the state of Tennessee. Sigma currently does not plan to provide
4 local exchange services in the service areas of any exempt small or rural incumbent local
5 exchange carriers. At the present time, Sigma intends to provide service primarily in the
6 geographic areas currently served by BellSouth Telecommunications, Inc. and United
7 Telephone, Southeast, Inc. However, Sigma requests statewide authority so that it may
8 expand its service areas in the future as market conditions warrant.

9 **Q. WILL SIGMA OFFER SERVICE TO ALL CONSUMERS WITHIN ITS**
10 **SERVICE AREA?**

11 **A.** Sigma plans to provide service to business and government customers.

12 **Q. HOW WILL SIGMA HANDLE CUSTOMER SERVICE?**

13 **A.** Sigma will handle customer service orders, requests, inquiries, and/or complaints through
14 a toll-free number, (888) 833-6400.

15 **Q. DOES SIGMA PLAN TO OFFER LOCAL EXCHANGE**
16 **TELECOMMUNICATIONS SERVICES IN AREAS SERVED BY ANY**
17 **INCUMBENT LOCAL EXCHANGE TELEPHONE COMPANY WITH FEWER**
18 **THAN 100,000 TOTAL ACCESS LINES?**

19 **A.** No.

1 **Q. PLEASE DESCRIBE THE PUBLIC INTEREST BENEFITS ASSOCIATED WITH**
2 **SIGMA'S PROPOSED OFFERING OF TELECOMMUNICATIONS SERVICES**
3 **IN TENNESSEE.**

4 **A.** Grant of Sigma's Application will further the public interest by expanding the availability
5 to Tennessee consumers of technologically advanced telecommunications facilities and
6 services. Sigma's network will utilize state-of-the art technology. Its presence in the
7 market will afford consumers an additional choice of telecommunications service
8 providers. The public will benefit both directly, through the use of the high-quality and
9 reliable telecommunications services to be offered by Sigma, and indirectly because the
10 expanded presence of Sigma in the market will increase the incentives for other
11 telecommunications providers to operate more efficiently, offer more innovative services,
12 reduce their prices, and improve their quality of service. Grant of this Application is
13 therefore in the public interest because it will enhance further the service options
14 available to Tennessee citizens.

15 **Q. DOES SIGMA INTEND TO COMPLY WITH ALL TRA RULES, STATUTES,**
16 **AND ORDERS PERTAINING TO THE PROVISION OF**
17 **TELECOMMUNICATIONS SERVICES IN TENNESSEE, INCLUDING THOSE**
18 **FOR DISCONNECTION AND RECONNECTION OF SERVICE?**

19 **A.** Yes. Sigma will comply with all applicable TRA rules, statues and orders pertaining to
20 the provision of telecommunications services in Tennessee, including those for
21 disconnection and reconnection of service.

1 **Q. WHO-IS KNOWLEDGEABLE ABOUT SIGMA'S OPERATIONS AND WILL**
2 **SERVE AS SIGMA'S REGULATORY AND CONSUMER SERVICE CONTACT?**

3 **A.** Philip Lin and Lonny J. Orona are knowledgeable about Sigma's operations. Philip Lin
4 will serve as Sigma's regulatory contact. Lonny J. Orona will serve as Sigma's consumer
5 service contact.


6 **Q. PLEASE EXPLAIN IN DETAIL SIGMA'S PROPOSED PROCEDURE FOR**
7 **RESPONDING TO INFORMATION REQUESTS FROM THE TRA AND ITS**
8 **STAFF.**

9 **A.** Please address all questions about Sigma's Application to Katherine A. Rolph and Brian
10 M. McDermott, Swidler Berlin Shereff Friedman, LLP, 3000 K Street, N.W., Suite 300,
11 Washington, DC 20007. All questions regarding Sigma's ongoing operations should be
12 addressed to Philip Lin, Vice President of Business Development, Sigma Networks
13 Telecommunications, Inc., 1290 Parkmoor Avenue, San Jose, CA 95126-3449.

14 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

15 **A.** Yes, it does. I reserve the right, however, to amend or modify my testimony, as
16 appropriate.

1



John Peters
Chief Executive Officer

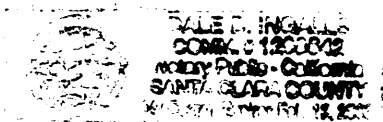
Sigma Networks Telecommunications, Inc.

STATE OF CALIFORNIA)
)
COUNTY OF SANTA CLARA)

Subscribed and Sworn to me this 8th day of January, 2000.

Len J. H.
Notary Public

My Commission Expires: Feb 13 2013



NOTICE OF APPLICATION

TO: Incumbent Local Exchange Carriers operating in the State of Tennessee

FROM: Katherine A. Rolph
Brian M. McDermott
Counsel to Sigma Networks Telecommunications, Inc.

DATE: August 11, 2000

RE: Application of Sigma Networks Telecommunications, Inc. for a Certificate of Public Convenience and Necessity to Provide Facilities-Based and Resold Local Exchange and Interexchange Telecommunications Services Throughout the State of Tennessee

This is to notify you that the above-referenced application was filed with the Tennessee Regulatory Authority on August 11, 2000. A copy of the application may be obtained from the Tennessee Regulatory Authority.

SS:

